

**EXHIBIT B**

IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF MARYLAND

(Greenbelt Division)

	)	
In re:	)	Chapter 11
	)	
KH FUNDING CO.,	)	Case No. 10-37371 (TJC)
	)	
Debtor.	)	
	)	

**NOTICE OF CERTAIN RELIEF REQUESTED IN CONNECTION WITH POST-  
CONFIRMATION DEBTOR'S CHAPTER 11 FINAL REPORT AND  
MOTION FOR ORDER (A) ENTERING FINAL DECREE, (B) APPROVING  
DISTRIBUTIONS TO UNSECURED CREDITORS, (C) AUTHORIZING THE  
ABANDONMENT OF CERTAIN PROPERTY, (D) AUTHORIZING THE  
ABANDONMENT AND DESTRUCTION OF CERTAIN DOCUMENTS  
AND RECORDS, AND (E) GRANTING RELATED RELIEF**

PLEASE TAKE NOTICE THAT on July 15, 2022, the above-captioned Debtor filed its *Post-Confirmation Debtor's Chapter 11 Final Report and Motion for Order (A) Entering Final Decree, (B) Approving Distributions to Unsecured Creditors, (C) Authorizing the Abandonment of Certain Property, (D) Authorizing the Abandonment and Destruction of Certain Documents and Records, and (E) Granting Related Relief* (the "Motion"). A full copy of the Motion may be requested from undersigned counsel and is available at the creditor site maintained at <https://www.pszjlaw.com/creditor-32.html>. **Any objection to the relief requested in the Motion must be delivered to undersigned counsel on or before the date that is 14 days after this Notice.**

PLEASE TAKE FURTHER NOTICE THAT, in accordance with the Motion and the confirmed *Third Amended Joint Plan of Liquidation of KH Funding Company and the Official Committee of Unsecured Creditors* (the "Plan"), the Debtor anticipates making distributions to unsecured creditors, including Class 9 General Unsecured creditors and to the Series 3 Trustee on account of Class 7 Series 3 Note Claims. Distributions are expected to be approximately 4.99% of allowed claims. Because the Series 3 Trustee is entitled to deduct its fees and expenses before distributing the remaining amount, if any to the beneficial holders of Series 3 Notes, that Debtor cannot predict what, if anything, may be recovered by the beneficial holders of Series 3 Notes.

PLEASE TAKE FURTHER NOTICE THAT the Debtor has identified certain assets, including unsecured claims, second and third priority loans, uncollectible judgments, and other

assets appearing on the Debtor's books and records (the "Assets") that the Debtor has been unable to sell or for which it has otherwise been unable to obtain any value. A description of the Assets appears on Attachment 1 to this Notice. The Motion seeks authority to abandon the Assets.

PLEASE TAKE FURTHER NOTICE THAT if any party wishes to make an offer for purchase of any or all of the Assets, such offer must be received by undersigned counsel in writing within 14 days of the date of this Notice. The Debtor retains sole authority to accept, reject, or negotiate any offer, including, without limitation, to decline to enter any transaction because the cost of doing so will exceed the benefit thereof. Any Assets as to which no written offers are received within 14 days of the Notice, and any assets as to which the Debtor determines no transaction is warranted, will be abandoned by order of the Court.

PLEASE TAKE FURTHER NOTICE THAT in accordance with the terms of the Plan, the Plan Administrator is entitled to certain exculpation and a releases, which will be ratified in connection with the Motion.

Dated: July 15, 2022

PACHULSKI STANG ZIEHL & JONES LLP  
Bradford J. Sandler (Bar No. 4142)  
Michael R. Seidl (Bar No. 3889)  
919 North Market Street, 17<sup>th</sup> Floor  
P.O. Box 8705  
Wilmington, DE 19899-8705 (Courier 19801)  
Telephone: (302) 652-4100  
Facsimile: (302) 652-4400  
E-mail: bsandler@pszjlaw.com  
mseidl@pszjlaw.com

and

BARNES & THORNBURG LLP

/s/ James E. Van Horn  
James E. Van Horn (Bar No. 29210)  
Barnes & Thornburg LLP  
1717 Pennsylvania Avenue, N.W.  
Suite 500  
Washington, D.C. 20006-4623  
Telephone: 202-371-6351  
Facsimile: 202-289-1330  
E-mail: jvanhorn@btlaw.com

Counsel to the Post-Confirmation Debtor

**ATTACHMENT 1**

## KH Funding Company / Ch. 11 #10-37371

## List of Remaining Assets as of 05/01/2022

Account #	Principal Balance as of 05/01/22	Borrower / Guarantor (Names shown only for judgments of record)	Secured / Unsecured Status	Description (All loans are in default-judgments as noted) B=Borrower, G=Guarantor, DOT= Deed of Trust, SOFA = Schedule of Assets
11530236	\$190,206		Secured	2nd lien DOT in MD behind original 1st lien of \$302,000; last payment date 8/17/09; maturity date 11/1/09; B claims setoff - potential litigation
11523848	\$3,730		Secured	2nd lien DOT in NC behind original 1st lien of \$77,400; last payment date 03/27/08; maturity date 2/1/14
11530380	\$2,970,290		Unsecured	Unsecured Note; See MD Ch. 7 #10-18008; B discharged 2011
11530384	\$2,860,206		Unsecured	Former 2nd lien DOTs wiped out in '10 and '11 foreclosure sales; See MD Ch. 7 #10-18008; B discharged 2011
11530382	\$640,749		Unsecured	Unsecured Note; See MD Ch. 11 #11-14033; Remaining collateral liquidated 2018 as per Ch. 11 Plan
11994946	\$476,885		Unsecured	49.89% loan participation interest; lead lender retained all proceeds from short payoff in 2015 citing setoff claims; lead is a private lender
11530372	\$455,353		Unsecured	Unsecured Note; See MD Ch. 7 #10-18008; B discharged 2011
1104-DEFAULT INT.	\$268,230		Unsecured	Unsecured Note; See MD Ch. 7 #10-18008; B discharged 2011
11530233	\$238,410		Unsecured	Unsecured Note; See MD Ch. 7 #10-18008; B discharged 2011
11570063	\$220,493		Unsecured	Listed on KH CH 11 SOFA - KH released B and G in 2007
11570041	\$177,958		Unsecured	Listed on KH CH 11 SOFA; KH released B and G via MD deed in lieu of foreclosure transaction in 2007
11530392	\$144,004		Unsecured	Former 2nd lien DOT wiped out in '16 foreclosure sale; See MD Ch. 7 #11-07460; Bs discharged 02/29/12
11530282	\$140,946	A.W. GARNER, INC.	Unsecured	VA Judgement (State Court) dated 04/10/09 against former corporate entity; Deficiency against B from VA 2nd lien foreclosure in '11; See VA Ch. 11 #08-261444 dismissed 08/28/09
	\$134,717	ESCOBAR, AIDA	Unsecured	MD Judgment (US District Court) dated 11/18/15; See MD Ch. 13 #13-21377 dismissed 2014
11994883	\$131,848		Unsecured	23.85% loan participation interest; lead lender retained all proceeds from payoff in 2015 citing setoff claims; lead is a private lender
	\$100,000	HARRIS, ROBERT	Unsecured	MD Stipulated Judgment (US District Court) dated 01/20/16; See Md Ch. 7 #13-12828
11570058	\$89,032		Unsecured	Listed on KH CH 11 SOFA; KH released B and G via MD deed in lieu of foreclosure transaction in 2007
11994884	\$82,102	KASPI, KIMBERLY	Unsecured	MD Judgment (State Court) dated 12/09/13
11994899	\$80,081		Unsecured	Former 2nd lien DOT wiped out in '10 foreclosure sale; last payment date 10/9/07
11530394	\$68,716		Unsecured	Former 2nd lien DOT wiped out in '10 foreclosure sale; See VA Ch. 13 #12-11198 dismissed 2012
11994896	\$55,387		Unsecured	Former 2nd lien DOT wiped out in '08 foreclosure sale; last payment date 02/04/11
11880016	\$44,490		Unsecured	25% loan participation interest; lead lender retained all proceeds from liquidated collateral citing setoff claims; lead is a private lender
11610002	\$41,157		Unsecured	Unsecured; deficiency from IN short sale in 2010
11540021	\$37,300		Unsecured	KH executed IN deed in lieu of foreclosure transaction in 2009
11540020	\$33,849		Unsecured	KH executed IN deed in lieu of foreclosure transaction in 2009

## KH Funding Company / Ch. 11 #10-37371

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11530369	\$29,703		Unsecured	Former 2nd lien DOT wiped out in '15 foreclosure sale; last payment date 10/09/07; B deceased
11140401	\$27,960		Unsecured	Unsecured Note; MD State Court ruled B is not personally liable under the loan documents in 2015
11530154	\$26,378		Unsecured	Unsecured Note; See VA Ch. 7 #07-11432; B discharged 2007; Co-B is deceased
11994910	\$25,643		Unsecured	Former 2nd lien DOT avoided in Ch. 13 case; See MD Ch. 13 #17-10066
11530396	\$24,663		Unsecured	Deficiency from IL 2nd lien wiped out in '13 foreclosure sale; last payment date 04/09/10
11530344	\$21,940		Unsecured	See MD Ch. 7 #17-14062; B discharged 2017; last payment date 07/17/06
11880018	\$20,000		Unsecured	Unsecured Note from short payoff in 2008; last payment date 06/24/09
SCH B-16	\$20,000		Unsecured	Listed on KH CH 11 SOFA; no loan documents
11560205	\$19,812		Unsecured	Unsecured Note; last payment date - none
11530334	\$11,435		Unsecured	Former 2nd lien DOT wiped out in '16 foreclosure sale; See MD Ch. 7 #03-17599; last payment date - none
11523891	\$11,309		Unsecured	Former 2nd lien DOT avoided in Ch. 13 case; See NC Ch. 13 #18-30355
1530077	\$9,207		Unsecured	Unsecured Note; loan documents are defective; last payment date 09/27/10
11994869	\$9,171		Unsecured*	See MD Ch. 13 #18-2014; *unreleased 1st lien from 2005 short payoff
11990332	\$5,979		Unsecured	Former 2nd lien DOT wiped out in '14 foreclosure sale; last payment date 01/09/12
11530243	\$5,914		Unsecured	Unsecured Note; last payment date 05/27/10
11990598	\$4,942		Unsecured	Unsecured Note from NC short payoff in 2011; last payment date 03/15/12
11530363	\$3,550		Unsecured	Unsecured Note; See MD Ch. 7 #13-14920; B discharged 2013
11994849	\$2,846		Unsecured	Former 2nd lien DOT avoided in Ch. 13 case; See IL Ch. 13 #04-35068; Loan was paid in full as per Ch. 13 plan in 2009
11530391	\$2,406		Unsecured	Unsecured Note; Loan documents are defective; last payment date 03/01/10
11530140	\$1,438		Unsecured	Unsecured Note; last payment date 3/22/12; B is deceased
10270113	\$68		Unsecured	Unsecured Note; last payment date - no record; B is deceased
	\$9,970,502	Total Amonnt		
	46	Total Loans		